

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT OF THE TREASURER

COYCHURCH CREMATORIUM JOINT COMMITTEE

8 MARCH 2019

PROPOSED REVENUE BUDGET 2019-20

1. Purpose of the Report

- 1.1 The purpose of this report is to inform the Joint Committee of the projected financial performance for the Crematorium for 2018-19, and to obtain approval from the Joint Committee for the Proposed Budget and Fees and Charges for 2019-20.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 The allocation of resources and the on-going monitoring of budget and performance assists in the achievement of the smarter use of resources.

3. Background

- 3.1 The 2018-19 Revenue Budget was approved by the Committee at its meeting on 2 March 2018. The current budget position and projected outturn for 2018-19 is outlined below, together with the proposed budget for 2019-20.

4. Current Situation / Proposal

Estimated Revenue Outturn 2018-19

- 4.1 Table 1 below shows the financial position at 31 January 2019 and the projected outturn for 2018-19.

Table 1- Comparison of budget against projected spend at 31 January 2019.

Budget	Category	Adjusted Actual	Projected Outturn	Projected Over (Under) Spend
2018-19		1/4/18 to 31/1/19	2018-19	2018-19
£'000		£'000	£'000	£'000
313	Employees	260	313	0
234	Premises	180	224	(10)
135	Supplies, Services & Transport	121	151	16

102	Agency / Contractors	71	102	0
35	Administration	29	35	0
75	Capital Financing Costs	1	6	(69)
894	Gross Expenditure	662	831	(63)
(1,238)	Fees & Charges	(877)	(1,266)	(28)
(29)	BCBC Contribution	(24)	(29)	0
(373)	(Surplus)/Deficit	(239)	(464)	(91)
373	Transfer to/(from) Reserve	239	464	91

- 4.2 When the budget was set there was an anticipated budget surplus of £373,000. The projected outturn as at the end of January is a surplus of £464,000, which will require a transfer to the Crematorium's Accumulated Surplus.

An explanation of the main variances between the Budget and Projected Outturn is detailed below:

- The underspend of £10,000 on Premises is made up an overspend on Planned Maintenance (£5,000), Electricity (£2,500) and Water (£2,500), which is offset by underspends on Business Rates (£13,000) and Day To Day Maintenance (£7,000).
- The overspend of £16,000 on Supplies, Services & Transport is made up of an overspend on Items for Resale (£22,000) and Medical Expenses (£6,000), being offset by savings made on Equipment Repairs (£5,000), Security Services (£3,500) and Purchase of Equipment (£3,500).
- Table 2 below shows a breakdown of the Planned Maintenance budget for 2018-19. The underspend of £69,000 is due to the Organ Upgrade and Flat Roof Repairs being moved to 2019 -20 as well as underspends on the Land Extension Retention (£4,000) and the Chapel of Remembrance Repairs (£15,000).

Table 2 – Planned Maintenance 2018-19

2018-19	£'000
Organ Upgrade	20
Phase 2, Land Extension Retention	5
Flat Roof Repairs - Waiting Room	30
Chapel of Remembrance Repairs	20
Total	75

- Income is higher than budgeted by £28,000, resulting from increased cremation fees

2019-20 Proposed Budget

4.3 The following table shows the proposed revenue budget for 2019-20

Table 3 – Proposed Budget 2019-20

Category	Budget 2019-20 £'000
<u>Expenditure</u>	
Employees	329
Premises	248
Supplies, Services & Transport	178
Agency / Contractors	102
Administration	36
Capital Financing Costs	776
Gross Expenditure	1,669
<u>Income</u>	
Fees & Charges	(1,303)
Contribution from BCBC	(30)
Total Income	(1,333)
Net (Surplus)/Deficit	336
Transfer to/(from Reserves)	(336)

4.4 All 2018-19 non-employee budgets have been reviewed, and any necessary adjustments have been made to meet expected expenditure for 2019-20.

4.5 Employee budgets have been adjusted to reflect salary increments where applicable and include a 2% uplift for the 2019-20 pay award.

4.6 The Business Plan for 2019-20 includes a budget requirement of £776,000 to meet proposed expenditure itemised in the table below:

Table 4 – Business Plan Spending Requirements

2019-20	£'000
Organ upgrade	96
Flower Court Extension	300
Site Lighting	300
Flat Roof Repairs - Waiting Room	30
Mess Room Refurbishment	30
Electricity Distribution Boards	20
Total	776

These costs will be met from the Capital Financing Costs budget identified in Table 3 above.

- 4.7 The income budgets have been prepared assuming a general increase in fees of 2.8% (1% plus CPI at 1.8%), and is based on current levels of activity. The 2019-20 proposed Fees Table is attached at Appendix 1.

Accumulated Balance

- 4.9 The effect on the accumulated balance of the proposed budget for 2019-20 is shown in the Table below:

Table 5 – Impact on accumulated balance of proposed budget 2019-20

Accumulated Balance	£000
Balance as at 31 March 2018	(1,259)
Transfer to Reserves	(464)
Projected Balance as at 31 March 2019	(1,723)
Transfer from Reserves 2019-20	336
Projected Balance as at 31 March 2020	(1,387)

- 4.10 It is projected that at 31 March 2020, there will be an accumulated balance of £1,387,000. The balance of Reserves at 31 March 2020 is considered a sufficient level to maintain to protect the service in light of unknown demands or emergencies.

Capital Expenditure 2019-20

- 4.11 Capital expenditure will not require any loan charge or contribution from constituent authorities in 2019-20. Items of a capital nature for 2019-20 in Table 4, paragraph 4.6, will be directly funded from revenue contributions and the accumulated surplus from previous years.

5. Effect upon Policy Framework and Procedure Rules

- 5.1 None.

6. Equality Impact Assessments

- 6.1 There are no equality implications attached to this report.

7. Wellbeing of Future Generations (Wales) Act 2015

- 7.1 The well-being goals identified in the Act have been considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report

8. Financial Implications

8.1 These are reflected within the report.

9. Recommendation:

9.1 The Joint Committee is recommended to

(a) Note the projected financial performance for 2018-19.

(b) Confirm and approve the revenue budget to be adopted for 2019-20.

(c) Approve the increase in fees and charges with effect from 1 April 2019 outlined in Appendix 1.

GILL LEWIS
INTERIM HEAD OF FINANCE AND S151 OFFICER
BRIDGEND COUNTY BOROUGH COUNCIL
TREASURER TO THE COYCHURCH CREMATORIUM JOINT COMMITTEE
26 FEBRUARY 2019

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Background Papers: Report of the Treasurer
Revenue Estimates 2018-19
Coychurch Crematorium Joint Committee
2 March 2018